

**ATTACHMENT TO TESTIMONY OF JAN VANTASSEL, ESQ.  
CO-PAYMENT/COST-SHARING STUDIES**

A number of studies substantiate the fact that even small co-payments significantly increase the likelihood that low income adults will forego medication and/or treatment and will require institutional care as a result. Some of the most significant findings are the following:

- The imposition of co-payments in Quebec, even with a \$200 cap per year, resulted in a one-seventh reduction in the use of essential medications. More significantly, the study found that emergency room use increased by 88% and adverse health problems, including institutionalization, hospitalization and death, increased by 78% (Robyn Tamblyn, et al., "Adverse Events Associated with Prescription Drug Cost-Sharing among Poor and Elderly Persons," *Journal of the American Medical Association*, 285(4):421-429, January, 2001).
- A study conducted by the University of Maryland found that co-payments reduced medication use significantly among persons in poor or fair health who must use more medications, and spend a larger share of their incomes for co-payments. (Brue Stuart and Christopher Zacker, "Who Bears the Burden of Medicaid Drug Copayment Policies?" *Health Affairs*, 18(2):201-12, 1999).
- In Tennessee, 22% of the low income Medicaid beneficiaries were unable to afford the co-payment, and two-thirds of those chose to forego medications. (C. Larson, "TennCare and Enrollee Cost Sharing: A Study of Previously Uninsured and Uninsurable Enrollees in Davidson County, September, 1996).
- In California, the imposition of a \$1 Medicaid co-payment for physician services reduced the demand for ambulatory services by 6%, but inpatient hospital services increased by 17%. (J. Helms, J. Newhouse, and C. Phelps, "Copayments and the Demand for Medical Care: The California Medicaid Experience," *Bell Journal of Economics*, 9:192-209, 1978).
- The RAND study found that cost sharing caused a 41% reduction in medical visits for health care by low income adults, and concluded that co-payments harmed the health of low income adults. (Joseph Newhouse, *Free for All? Lessons from the Rand Health Insurance Experiment*, Cambridge: Harvard University Press, 1996).

